

IT IS 5:00 PM

**DO YOU KNOW WHERE
YOUR ASSETS ARE?**

(or, Sarbanes Oxley 101)

U.S.A. Public Corporations

Company assets are everywhere. In this global economy, it is normal for even the most inventory conscientious company to lose location information on their mobile assets.



The same delivery vehicles are not here every day

Our three flatbed trailers are in use at our Kansas warehouse, the new refrigeration truck is used only at the northern California production plant, and 20 of the 26 company cars are in use at the regional offices or at employee home offices. We think.

The Chief Financial Officer and the Chief Executive Officer must provide a letter stating the financial data they have provided the auditors is accurate.

We have delivery vans and installation trucks in every major city in the USA. Once a year, all local managers use a printed form and record all the mobile equipment. That information is keyed into our accounting system. We depend heavily on the managers.

The Board of Directors is responsible for adopting auditing, internal control, and ethical standards for the company.



FEMA, recording assets in the field.

We have shipping containers everywhere. On the tarmacs of airports; at logistics centers near airports; even in vacant lots. We have seen our shipping containers at competitor locations. Our guess is that all these containers are on our books as assets.

Company executives and staff must not withhold financial information from the auditors, or attempt to influence the audit findings in any way.



It is the end of the accounting period and these moving assets need to be recorded

We operate a national trucking business. Our drivers back an empty trailer to a dock and pick up a full trailer, at every major city in the USA, all day long, every day of the year. We must assume there are trailers that were recorded in last year's inventory that will get missed in this year's inventory. And, show up again in next year's inventory.

The Board of Directors of each company must develop internal controls in keeping with revised audit standards in order for the public accounting firm to evaluate the company's compliance with said internal controls.

There is an alternative asset location system that can be operational for any company in a single day – across the world. NO GPS. NO RFID. NO SATELLITES. For a few pennies an asset, the location data for all assets can be sent direct to the company's Accounting System.

THE ASSET LOCATION & RECORDING SOLUTION



Intermodal Shipping Container – ISO standard number



Construction equipment, at sites across the country



FEMA, recording the identification numbers of all their trailers

The location of mobile assets can be easily provided to company accountants. No GPS devices, no RFID tags, and no satellite communicating monitors. All these expensive components, and their never ending infrastructures, are no longer needed. What's new? - asset location is recorded using a camera cell phone¹. Asset IDENTIFICATION NUMBERS are captured using camera cell phones.

When an individual takes a picture of the identification number and/or logo on an asset, such as a container, trailer or shipment, that picture is transmitted to a central processing system. The central system processes the camera photo to extract any identification information. This information may include alphanumeric lettering, logos, barcodes or special unique company markings. The central processing system converts the identification information to text and sends this information, along with the date, time, and location of the asset, to the asset owner. The picture of the asset is also sent in order to provide asset status information.

The asset owner has the ability to acquire the location of a mobile asset anywhere in the world, using employees or industry members. A good example is the location of company delivery vehicles where literally a thousand vehicles are in inventory and on the move every day. This company selects a specific day every month and requires all company employees to use a camera cell phone and capture the asset ID of all company mobile assets they come in contact during the day. After a period of several months, it can be assured that all mobile assets will have their location recorded and transmitted to the company's accounting department. Another example – the location and tracking of intermodal containers. Once these containers land on USA ports, Homeland Security's requirement for location information ends. The trucker picking up the container can snap a photo of the container ID. Any time the truck driver stops for a meal, or overnight sleep, another picture is captured of the container ID and sent to Rapid ID. When the container reaches its final location, the location is recorded again. A true location and tracking system for intermodal containers. Since most containers belong to pools, the receiving entity can send an identification photo when the container is empty and ready to be returned to the pool network.

¹ The System and Method, using a camera cell phone, to capture any type identification number to determine the location of an asset, including a central processing system to extract the ID numbers from the camera cell phone picture, using the location information provided by the carrier, and then passing this information on to the necessary entity, is Patent Pending.

What happens if the asset is in a location where there is no cellular coverage? Simple – capture the asset identification information, add a brief text describing the location, and the captured information will transmit when in cellular coverage again.

HOW DOES THIS SYSTEM WORK?

Each company is assigned special cell phone numbers to transmit pictures to. (The system works cell phone to cell phone.) These cell phone numbers are entered into the quick dial registry in the inventory taker's cell phone. The receiving special cell phone (modem) at the central processing system receives and processes the picture. The central system knows the asset owner by the receiving cell phone modem number. Once the picture is digested and identification information is extracted, the information is transmitted in text format to the asset owner's accounting department – along with the date, time and location. The photo is included.



Record vehicle assets by capturing the license plate number

THE GOALS FOR PICTURE MOBILE ASSET LOCATION

The public company should use this new location system to accomplish these three key asset information goals:

- LOCATION – physical location, whether inside a warehouse, a construction site, installed, or in transit.
- DETAILS - is the accounting description correct.
- STATUS - Is the asset in good condition, door seal breached, in need of repair? Is the asset in use?



If asset numbers are NOT unique, capture the company logo in one photo and the asset number in a second photo

HOW THIS SYSTEM IS IMPLEMENTED IN PUBLIC COMPANIES?

Implementation is easy because the infrastructure is in place. The public company receives special modem cell phone numbers that are assigned to their company. Management and accounting operational goals are established. The result – for every asset recorded in the field, the asset information is transmitted to the accounting department, typically by email.

The cell phone carrier is a key component of this asset location system. AT&T's enhanced Cell ID information is added to the identification information for each asset cell phone picture. Any camera cell phone may send asset pictures to the central processing system. If the cell phones do not use AT&T services, or do not





have GPS, then the cell phone user may add a text note to the picture prior to transmission (standard option for all camera cell phone transmissions). The receiving cell phone modems are on the AT&T network, thereby providing most companies a low or no additional cost transmission capability that may already be part of their AT&T cellular business plan.

The asset owner's accounting department provides the central process system the required format of the data so that the asset location and inventory information is immediately useable by the accounting department.

THE COST - A FEE PER ASSET, PER YEAR

Asset Location information is provided on a per asset basis. A small flat fee is paid at startup time to cover the set up, modem costs, and linkage formatting to the accounting system. After that point, there is a small annual fee charged for each new asset passed through the system.